

## US EXECUTIVE APPROVAL FORM

### Extindicare

### HQAPP Requests:

1. Discount on L&S of 90% for the HRMS products (Human Resources, Self-Service Human Resources, Payroll, Advanced Benefits, iRecruitment, Training Administration, iLearning). This has been approved by DJ Chhabra VP HR in his email below.
2. Price protection @ 90% for 3 years from the effective date of the contract for the HRMS products as listed in Request #1 above.
3. Approval to offer the Technology products herein as "Limited Use", for use with the Oracle Applications only. Note: The sales team will make all attempts to sell the Tech products as "limited use" – however, if this fails, at worst-case we do require approval to go ahead at these discounts with full use Tech.
4. Discount on L&S of 80.23% for all of the other products in this transaction. ie. all non-HRMS products.
5. Price protection @ 80.23% for 3 years from the effective date of the contract for all of the other products as per Request #4.
6. Approval for a Support Cap as follows: years 2, 3 @ 0% ; years 4, 5 @ 5% .
7. Approval to change the pricing metric for the following products - Self-Service Tutor for Applications – from "employee" to a "computer user". This has been approved by Ron Wohl in his email copied below, and by Ross Bradley Oracle Canada VP Legal as follows:

"Computer User: is defined as a computer or other input device authorized by you to access the programs which are installed on a single server or multiple servers, regardless of whether such computer or input device is actively using the programs at any given time. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end."

8. Approval to hold the 2.9% OFD 3 year Incentive Rate Promotion for this transaction - provided it is signed on or before May 31, 2003. Please note the email from the Customer requesting this and from Steve Down, OFD Canada Rep, copied below supporting this. NOT APPROVED. YOU CAN DO THIS VIA NORMAL OFD FINANCING, AND ABSORB THE EXTRA POINT OR 2 ON THE TRANSACTION VIA JE

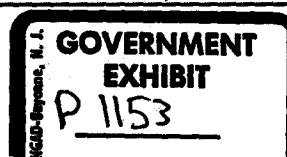
### TIER 2/3 Requests:

9. Approval to include majority owned subs in the Customer Definition. Standard Oracle Clause : subs agree in writing to be bound by the terms of the agreement:

Customer Definition. For purposes of this ordering document, you shall be defined as the company listed at the head of this ordering document and your majority owned subsidiaries. Before accessing the programs, each subsidiary must agree in writing to be bound by the terms of this ordering document and the agreement.

### Deal Summary:

Deal Summary	
Programs	Oracle Financials, Internet Expenses, Purchasing, iSupplier Portal, iProcurement, Human Resources, Self-Service Human Resources, Payroll, Advanced Benefits, iRecruitment, Training Administration, iLearning, E-Business Intelligence, Financials & Sales Analyzer, Balance Scorecard, HR Intelligence, Tutor for Applications, Self-Service Tutor for Applications, Field Service, Service Contracts, iSupport, Project Costing, Project Billing, Project Contracts, Project Resource Management, Oracle Time and Labor, Oracle Database Enterprise Edition, Diagnostics Pack, Tuning Pack,



	Internet Application Server Enterprise Edition, Internet Developer Suite, Express Server, Enterprise Integration Gateway for AS/400.
License Discount	90% for HRMS products 80.23% for all other products
Support Discount	90% for HRMS products 80.23% for all other products
Comp & Admin Discount	75%
Support Options/Holds	Please see Request #6 above.
Price Holds	Please see Requests #2 and #5 above.
List License	US\$7,778,985
List Support	US\$1,711,376
List Comp & Admin	US\$388,949/month
Net License	US\$1,092,393
Net Support	US\$240,326
Net Comp & Admin	US\$1,166,874 /year
Net Total Price	US\$2,499,593
Price List Used	March 24, 2003

**Justification:**

- Extendicare Inc. operates and manages nursing homes and assisted-living facilities in Canada and the US.
- Extendicare operates 261 facilities with a capacity for 26,531 residents. They have 42,000 employees and revenue of US\$0.95 billion.
- This is a highly competitive opportunity against PeopleSoft who are well positioned in this account. The largest opportunity area, from the customer perspective, is around HR/Pay and this is PeopleSoft's traditional domain. Of the three largest companies in the Long-Term Care business (Beverly, Mariner, Extendicare), 2 are already PeopleSoft users (Beverly, Mariner). Also, one of the three senior executives at Extendicare is formerly from Beverly (Phil Small, SVP, Government Relations) and has indicated his bias towards PeopleSoft. That being said, according to our coach (Bill Bowen (VP, Performance Measurement), Oracle has been selected by the Canadian User teams (Finance and HR) and the US HR team. In order to compete against PeopleSoft we need to be at the ~80% discount level for this product offering. PeopleSoft has been very aggressive on their pricing. According to the customer the PeopleSoft price is US\$1.4M and is an unlimited user license. Even if we are in the lead from a user point of view, if we do not beat PeopleSoft's price, it will be very difficult to get beyond the senior executive bias towards PeopleSoft.
- The main pricing difficulty we face is that they have about 42,000+ employees throughout the year (42,000+ W2's and T4's) but they only actually have about 25,000 employee positions. Plus, they only have about 4,000 PC's in the entire organization. The large majority of their employees are nursing aids, kitchen helpers and cleaning staff. These staff have no access to a PC, will never use a Self-Service application and are transient, part-time workers. In the US organization, the turnover is 140%. So pricing this opportunity using the Employee and Person metrics makes us very uncompetitive against PeopleSoft and thus requires the aggressive discounts to beat the PS price. This is what is driving our high discounts and particularly a 90% discount request on the HRMS products. This strategy is supported by DJ Chhabra VP HR products in his email below.

Also, we are requesting that the "employee" metric used to price Self-Service Tutor (listed in Request 7 above) be modified to use the actual number of PC's within the organization. This will allow a true bearing of the actual potential users of the application suite. The staff that will use the 4,000 PC's are the Head Office staff, the area and group controllers and a director of Nursing or Facility Administrator. This has been approved by Ron Wohl (see email attached).

With approval of the requests as above - this business will close for May 2003.

Currently Extendicare uses a mix of home grown applications, GEAC Financials and GEAC HR on an AS/400 platform. They use ADP for Payroll, which resides on an Oracle database.

**Recommendation:**

I thought the discounts were too aggressive and the metric based on computer devices too liberal. They have approval up through Ron (below) at these discounts. Can't tell if it's a slammer for Q4 or we really need to drop the price like this, so it's probably both. I guess it's ok to approve.

**Submitted By:** *Peter McPherson, John Pierleoni*

R: 05/24/03

C: 05/24/03

L: 05/24/03

A: 05/24/03

BP: swong

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**PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.**

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**Ron Wohl email:**

**Subject:**

Re: [Fwd: Re: FW: Approval to revise "employee" pricing metric]

**Date:**

Sat, 17 May 2003 22:01:11 -0700

**From:**

Ron Wohl <ron.wohl@oracle.com>

**To:**

Cliff Godwin <Cliff.Godwin@oracle.com>

**References:**

<3EC71242.7070002@oracle.com>

approved for Tutor

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**Cliff Godwin wrote:**

----- Original Message -----

**Subject:**

Re: FW: Approval to revise "employee" pricing metric

**Date:**

Sat, 17 May 2003 21:02:50 -0700

**From:**

Cliff Godwin <Cliff.Godwin@oracle.com>

**Organization:**

Oracle Corporation

**To:**

greg.stoneman@oracle.com

**CC:**

Peter MacPherson <PETER.MACPHERSON@ORACLE.COM>, stuart.dunsmore@oracle.com

This seems OK to me. Ron, what do you think?  
Cliff

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Greg Stoneman wrote:

Cliff,

Can you please take a look at the request and email chain below. The opportunity had been put on hold by the customer so I didn't follow up with you. The budgets were recently approved (i.e Yesterday) and we are now trying to get this into Q4.

We are seeking approval to change/modify the "employee" pricing metric to use the actual number of PC's within an organization for the following products: Self Service Tutor for Applications.

Deal Summary: \$1.5M net license (~80% discount)

PeopleSoft has come in at about \$1.6M (according to the customer) and is offering an unlimited user license.

I'll call you directly to follow-up

Thanks,

Greg.

-----Original Message-----

From: Greg Stoneman

Sent: December 19, 2002 5:44 PM

To: Godwin,Clifford

Subject: RE: Approval to revise "employee" pricing metric

Cliff,

I have not heard back from you re: the below request. I believe that we are getting the nod from the customer and need to send this approval to HQAPP.

Here is the clause that legal has given us:

Computer User: is defined as a computer or other input device authorized by you to access the programs which are installed on a single server or multiple servers, regardless of whether such computer or input device is actively using the programs at any given time. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end.

Thanks,

Greg.

-----Original Message-----

From: Greg Stoneman

Sent: December 12, 2002 10:35 PM

To: Godwin,Clifford

Cc: ANNE POLSINELLI; Peter MacPherson

Subject: Approval to revise "employee" pricing metric

We are seeking approval to change/modify the "employee" pricing metric to use the actual number of PC's within an organization for the following products: Self Service Tutor for Applications.

This is for a competitive opportunity (against PeopleSoft) in the healthcare industry. The company is Extendicare and they operate and manage Nursing Homes and Assisted-Living Facilities in Canada and the US.

The problem with the pricing is, they have about 42,000 employees throughout the year (42,000 W2's and T4's) but they only actually have about 25,000 employee positions. Plus, they only have about 5,500 PC's in the whole organization. The large majority (36,500) of their employees are nursing aids, kitchen helpers and cleaning staff. These staff have no access to a PC, will never use a Self-Service application and are transient, part-time workers. These employees are a percentage of an FTE, like 0.25. In the US organization, the turnover is 140%. So pricing this opportunity using the Employee, Person or Trainee metric makes us very uncompetitive against PeopleSoft.

So, we are requesting that the "employee" metric used to price Self Service Tutor for Applications be changed/modified to use the actual number of PC's within the organization. This will allow a true bearing of the actual potential users of the application suite. The staff that will use the 5,500 PC's are the Head Office staff, the area and group controllers and a director of Nursing or Facility Administrator

The total deal size is US\$1.5M (Net License) and includes the Financial, HR/Pay, Service and Projects applications. The overall discount will be in the 80% range and we expect that the deal will likely close early next year (CY03).

We need your approval to modify the pricing metric before we can send the overall pricing request to HQAPP for approval. If you have questions or need further clarification, please call me (905-501-2254) or send an email.

Thanks,  
Greg.

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**Email from Deepjot Chhabra:**

From: Deepjot Chhabra [mailto:deepjot.chhabra@oracle.com]  
Sent: May 23, 2003 3:41 PM  
To: greg.stoneman@oracle.com  
Subject: Re: Extendicare File - Version 1

Spoke to Mark Mancini and gave him my approval on the latest pricing structure. Good luck in closing it this fiscal year.

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Greg Stoneman wrote:

DJ, Attached is the price sheet. This has the HR products using the 4:1 ratio (38,000 Staff: 8500 FTE). I am working with Mark Mancini and we hope to have a new spreadsheet to you this morning. We'll call you later.

Thanks, Greg.

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Date:  
Fri, 23 May 2003 11:55:43 -0500  
From:  
Mark Mancini <mark.mancini@oracle.com>  
To:  
"PAGE,SCOTT" <SCOTT.PAGE@ORACLE.COM>  
CC:

Payroll 25000  
Advanced Benefits 10000  
iRecruitment 18000  
Training Administration 1000  
iLearning 1000

Please let me know if you have any questions.  
Thank you,  
Mark

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Email from the Customer and the OFD Canada Rep Steve Down:

-----Original Message-----

From: Cook, Noel [mailto:NCook@Extendicare.com]  
Sent: May 23, 2003 4:34 PM  
To: Greg Stoneman (E-mail)  
Subject: 2.9%, 3 Year Financing Promotion

We would like you to please extend the 2.9%, 3 Year Financing Promotion until the end of May. Please let me know if you need anything else from me to get this offer extended.

Noel Cook  
G/L Project Leader  
(414) 908-8098

-----Original Message-----

From: Steve Down [mailto:Steve.Down@oracle.com]  
Sent: May 23, 2003 11:46 AM  
To: greg.stoneman@oracle.com  
Subject: Re: Extendicare Price Sheet and Approval form

Correct. You need 2 things to make that happen. 1) an e-mail from the customer stating that they are interested in the promotion and want us to extend the deadline to them beyond today, but not past May 31; and (2) you need to request it in your HQAPP approval.

Regards,  
Steve

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**Greg Stoneman wrote:**

**Steve - Doesn't the email from OFD that went out earlier this week indicate that we are able to request that  
2.9% offer be extended past today?**

**Thanks, Greg.**

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